

Education and Workforce Development Cabinet

Kentucky's jobless rate steady at 9.5 percent in August 2011

Press Release Date: Friday, September 16, 2011

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Editor's Note: Preliminary August and revised July labor market information are included in this release.

FRANKFORT, Ky. (Sept. 15, 2011) — Kentucky's seasonally adjusted preliminary unemployment rate held steady at 9.5 percent from July 2011 to August 2011, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet.

The preliminary August 2011 jobless rate dropped .7 percentage point below the 10.2 percent rate recorded for the state in August 2010. The state's August 2011 rate is the lowest since the January 2009 rate of 9.2 percent.

The U.S. seasonally adjusted jobless rate also stayed the same at 9.1 percent from July 2011 to August 2011, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Four of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in August 2011, while seven decreased, according to OET. While nonfarm employment showed over-the-year growth for the 16th consecutive month, the number of jobs dropped by 3,700 from July 2011 to August 2011 bringing Kentucky's nonfarm employment to a seasonally adjusted total of 1,793,300.

"The decline in the civilian labor force in August 2011 counterbalanced the job losses causing the unemployment rate to hold steady," said Dr. Justine Detzel, OET chief labor market analyst.

Kentucky's nonfarm employment has grown by 21,900 workers since August 2010.

According to the seasonally adjusted employment data, Kentucky's construction sector jobs surged by 2,300 in August 2011. Since August 2010, employment in the construction sector has dropped by 900 jobs.

The educational and health services sector gained 800 workers in August 2011. The sector has ballooned by 5,000 workers since August 2010. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

“The year-over-year employment gains are predominantly attributed to health care and social assistance companies. General population growth and a longer life expectancy are the main causes of the continued expansion of health care employment. In addition, there is an increased need for health services as the baby boomer generation ages,” said Detzel.

Employment in the other services sector, which includes such establishments as repair and maintenance businesses; personal and laundry services; religious organizations; and civic and professional organizations, added 700 positions in August 2011. This sector had 600 more positions in August 2011 than August 2010.

Employment in the mining and logging sector rose by 400 in August 2011. The sector has gained 800 jobs since August 2010.

“This represents the fifth increase in the number of mining and logging jobs in the last six months,” said Detzel. “As factories ramp up industrial output and plants expand, there is increased demand for electricity produced by coal.”

The state’s leisure and hospitality sector plummeted by 2,500 jobs in August 2011. Since August 2010, the sector has ballooned by 11,700 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services, and drinking places industries.

“The employment losses in August 2011 are concentrated in accommodations and food services businesses, which reflects the closings of various restaurants,” said Detzel.

The professional and business services sector plunged by 2,100 positions in August 2011. This area includes professional, scientific and technical services; management of companies; and administrative support and waste management, including temporary help agencies. Since last August, jobs in the sector have mushroomed by 8,000.

The manufacturing sector lost 1,300 jobs in August 2011. Since August 2010, employment in the manufacturing sector has climbed by 5,100 positions.

“The number of industrial workers decreased for the first time since May 2011. Job losses are attributed to the durable goods subsector, which reflects the closing of a conveyer manufacturer. Despite the overall contraction in the manufacturing sector, the nondurable goods subsector experienced job gains in August 2011,” said Detzel.

The government sector, which includes public education, public administration agencies and state-owned hospitals, dropped 700 jobs in August 2011. The sector has 4,500 fewer jobs than in August 2010.

The financial activities sector decreased by 700 jobs in August 2011. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has 2,500 fewer positions than in August 2010.

The trade, transportation and utilities sector lost 400 jobs in August 2011. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities. It is the largest sector in Kentucky with 359,200 employees. Since August 2010, the number of jobs in this sector has decreased by 1,300.

“Employment decreases in the trade, transportation and utilities sector in August 2011 occurred predominantly at retail trade companies, which is indicative of several stores closing. The year-over-year job losses are also clustered at retail trade enterprises,” said Detzel.

The information sector decreased by 200 jobs in August 2011. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has fallen by 100 positions since August 2010.

The U.S. Bureau of Labor Statistics’ monthly estimate of the number of employed Kentuckians for August 2011 was 1,897,412 on a seasonally adjusted basis. This figure is down 5,768 from the 1,903,180 employed in July 2011, but up 30,791 from the 1,866,621 employed in August 2010.

The monthly estimate of the number of unemployed Kentuckians for August 2011 was 198,081, down 2,566 from the 200,647 Kentuckians unemployed in July 2011, and down 13,999 from the 212,080 unemployed in August 2010.

The monthly estimate of the number of Kentuckians in the civilian labor force for August 2011 was 2,095,493. This figure is down 8,334 from the 2,103,827 recorded in July 2011, but up 16,792 from the 2,078,701 recorded in August 2010.

Civilian labor force statistics include nonmilitary workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky’s statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.